



# 7 World Trade Center



## Background

Silverstein Properties is a Manhattan-based real estate development and investment firm that owns, manages and has developed more than 20 million square feet of office, residential and retail space.

In 1987, an affiliate of Silverstein Properties built 7 World Trade Center, a 47-story Class A office tower that contained 2 million square feet of office space, across the street from the World Trade Center complex.

By the year 2000, 7 World Trade Center was 100 % occupied by some of Manhattan's premiere companies, including Salomon Smith Barney, Hartford Fire Insurance, American Express and the United States Securities and Exchange Commission. The Mayor's Office of Emergency Management and the United States Secret Service also leased significant space in the building; Con Edison

held a ground lease from the Port Authority for a substation that supplied power to a major part of Lower Manhattan and the Financial District.

In the summer of 2001, separate affiliates of Silverstein Properties signed a 99-year lease with the Port Authority of New York and New Jersey of four buildings at the World Trade Center, including the Twin Towers.

## Challenges

Silverstein Properties suffered tremendous losses on September 11, 2001. The Twin Towers were destroyed by 10:30 a.m. and the 7 World Trade Center building, which was damaged by flaming debris and burned uncontrollably for several hours, finally collapsed later in the afternoon.

The destruction of the World Trade Center site saddled Silverstein Properties and its affiliates with numerous challenges, including the obligation to rebuild. Moreover, the destruction of 7 World Trade Center also resulted in the destruction of the Con Edison substation housed in the building, and there was an urgent need to restore that substation to avoid brownouts in the future.

## Why They Chose to Rebuild

As a lifelong New Yorker, Larry Silverstein, President of Silverstein Properties, is bullish on New York City and intent on making a powerful statement about the City's resiliency and status as the financial capital of the world, as well as his optimism about the City's future.

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# “NYCIDA ensured that the construction of the new 7 World Trade Center will go forward”

—Larry Silverstein,  
President, Silverstein Properties

By moving forward on the construction of 7 World Trade Center, Silverstein Properties is playing a large part in Lower Manhattan's economic recovery. A new, technologically advanced 7 World Trade Center, along with corresponding World Trade Center site improvements such as a proposed new transportation hub, will offer a powerful incentive for corporations to remain in or relocate to Lower Manhattan.

“This will be the first building to be rebuilt at the trade center and thus is symbolic of the importance that all New Yorkers attach to developing the area and creating a vital economic engine for Lower Manhattan,” said Silverstein.

The core and shell of the new, 52-story 7 World Trade Center building, the future “gateway” to the redeveloped trade center site, is scheduled to be completed by December 2005. It will be 740 feet high – significantly taller than the previous 616-foot-tall building – contain 1.7 million square feet of office space, and house about 8,000 workers.

## How NYCEDC Helped

NYCEDC provides staff to the New York City Industrial Development Agency (NYCIDA). NYCIDA will issue \$400 million in triple-tax-exempt Liberty

Bonds to help a Silverstein Properties affiliate rebuild 7 World Trade Center. Liberty Bonds, part of an economic stimulus law signed by President Bush in March 2002, allow New York City real estate developers to obtain lower borrowing rates in the \$2 trillion municipal bond market. The program allows city and state authorities to issue up to \$8 billion in revenue bonds that provide investors with interest exemptions on federal, state and local taxes if the buyer lives in New York City.

The New York Liberty Bond Program is a major tool for securing Lower Manhattan's position as the financial capital of the world, and the former 7 World Trade Center was an integral part of Lower Manhattan's makeup. Its reconstruction will provide a tremendous boost to the revitalization of the Downtown business community.

## For More Information

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